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FM AMEMBASSY ABU DHABI

TO RUEHC/SECSTATE WASHDC PRIORITY 8360

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INFO RUCNWTO/WORLD TRADE ORGANIZATION COLLECTIVE

RUCPDOC/USDOC WASHDC

UNCLAS SECTION 01 OF 02 ABU DHABI 000298

SIPDIS

DEPT PASS TO USTR

STATE FOR EB/IPE FOR BOGER

PASS TO USTR JCHOE-GROVES, DOC CPETERS

SENSITIVE

SIPDIS

E.O. 12958: N/A

TAGS: KIPR PREL ETRD AE

SUBJECT: EMBASSY ABU DHABI COMMENTS ON SPECIAL 301 REVIEW

REFS:A) SECSTATE 1800821

- B) ABU DHABI 231
- C) 06 ABU DHABI 3417
- D) 06 DUBAI 6928
- E) 06 DUBAI 3360
- F) 06 DUBAI 326

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¶1. (SBU) Summary: The UAE Government remains strongly committed to protecting intellectual property rights (IPR). The UAE continues to enforce copyright, trademark, and patent laws passed in 2002 to protect U.S. intellectual property, and remains committed to the 2002 agreement providing TRIPS-plus levels of protection to U.S. pharmaceuticals. In 2006, the UAE enacted the E-Commerce law and the Anti-Information Technology Crimes law to combat counterfeiting of websites used in phishing schemes. Additionally, the UAE conducted a number of high-profile raids to arrest merchants involved in all forms of piracy. In 2006, the Ministry of Economy met with the Arabian Anti-Piracy Alliance, Econoff and stakeholders to discuss ways to increase protection of IPR. Some property rights holders have expressed concern about the use of the UAE as a transshipment point for IPR counterfeit products. UAEG officials have also expressed the same concern. The Mission has engaged on behalf of rights holders, and the USG has provided IPR training for UAE officials. Post recommends that the UAE not be included in the Special 301 Watch list this year. End summary.

TRIPS Compliance

¶2. (U) In 2006, the UAEG continued to expand the scope of the copyright, trademark, and patent laws issued in 2002 (that exceed the UAE's TRIPS obligations) by issuing two new regulations: the E-Commerce law and the Anti-Information Technology Crimes law to combat counterfeiting of websites used in phishing schemes.

Enforcement

¶3. (SBU) Stakeholders have told Post that the UAEG has conducted numerous raids on pirated compact discs and business software throughout the UAE based on information provided to local authorities by the individual stakeholders. AAA reported to Econoff that at least 169,453 pirated DVDs were seized by the UAE in 2006. Periodic articles in the local newspapers of raids and arrests of counterfeiters indicate that the authorities take seriously their

responsibility to reduce the trade of counterfeit goods in the UAE and do not hesitate to publicize the results of enforcement actions. The following are a few examples of reports appearing in local media:

-- In March 2006, the Dubai Court sentenced an owner of an electronics store to three months in jail and fined him \$14,000 for breaching the UAE's IPR laws. The owner of the store was convicted for selling receivers that unblock scrambled TV satellite channels. The Court also ordered the store's closure for three months and confiscated the cards and receivers used in the piracy.

-- In May 2006, The IPR section of Dubai Customs, in collaboration with the Ministry of Health, confiscated "significant quantities" of counterfeit Panadol.

-- In June 2006, UAE Customs officials seized counterfeit goods worth more than \$2 million; including electronics, spare parts, cosmetics, and medicines. According to the press, the total amount of goods seized since February 2006 until June 2006 was \$3.5 million.

-- In July 2006, Dubai Customs seized counterfeit goods worth over \$3.8 million.

In addition, Post is aware of other raids throughout 2006 that were not reported in the press that AAA and industry stakeholders coordinated with UAEG officials.

¶4. (U) In an effort to crack down on door-to-door vendors selling optical media, the Dubai Department of Economic Development continued to impose fines on restaurant and caf owners if it found vendors selling pirated CDs in their establishments. Many restaurants have warning signs, with the Dubai police logo, highlighting the penalties for sales of pirated CDs.

¶5. (U) According to statistics from the Intellectual Property Rights and Intervention Departments of Dubai Customs, between February and June of 2006, Dubai Customs seized 2,212,147 cartons containing counterfeit goods. The bulk of the containers were intercepted at the Customs centers at the Jebel Ali Port and Dubai International

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Airport. The majority of the goods came from the Far East, followed by Central Asia and Africa.

Industry Officials Pleased with UAE Progress

¶6. (SBU) Copyright industry officials have generally expressed pleasure with progress the UAE has made in the realm of IPR enforcement. The CEO of AAA (which represents the Motion Picture Association of America) said he would oppose placing the UAE on the Special 301 watch list. He said that placing UAE on the watch list would provide a disincentive to other countries in the region from making improvements. He explained that he needs to be able to make the point to other countries that by addressing IPR concerns, they can be removed from the watch list, and he points to UAE as an example.

¶7. (SBU) AAA's CEO said the UAE is actively involved in fighting piracy and that tremendous strides have been made in the UAE in 2006 with numerous raids being conducted and pirates being shut down. AAA is very pleased with the coordination between the Ministry of Economy, police, customs and stakeholders to fight piracy throughout the UAE. AAA estimates that the copyright piracy rate in the UAE is 34 percent, by far the lowest in the region. AAA holds the UAE as a model in the region and wishes other countries would follow the UAE's lead in fighting piracy.

Recommendation: No Watch list

¶8. (SBU) Embassy officials believe that the UAE should remain off the Special 301 Watch list. We agree that there is room for improvement. We support the idea of encouraging the UAEG to provide IP owners information that would permit them to pursue the producers and manufacturers of pirated goods in source countries. However, we note

that the UAE has taken considerable strides in enforcing IPR regulations, prosecuting violators, and publicizing law enforcement actions. In 2006, several UAEG officials attended IPR trainings conducted by the U.S. Patent and Trademark Office demonstrating their commitment to improving their knowledge and performance on IPR issues. The UAE is a solid partner in IPR enforcement, and we want to continue to work with the government and industry and to encourage them to further their efforts. The U.S. and the UAE made good progress on IPR issues during FTA negotiations and are looking for ways to solidify that progress.

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